

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

	X	Chapter 11
In re:	:	Case No. 11-15463 (SHL)
AMR CORPORATION, <i>et al.</i> ,	:	(Jointly Administered)
Debtors.	:	
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	X	

**STIPULATION AND AGREEMENT AMONG  
THE DEBTORS, THE BANK OF NEW YORK MELLON,  
AS TRUSTEE FOR VARIOUS ISSUES OF BONDS,  
AND THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AUTHORITY**

This Stipulation and Agreement (the “**Stipulation**”) is entered into by and among AMR Corporation (“**AMR**”), American Airlines, Inc. (“**American**”) and certain of their subsidiaries, as debtors and debtors in possession (collectively, the “**Debtors**”), the Bank of New York Mellon (formerly known as Bank of New York), as successor indenture trustee for the 1990 Bonds (as defined below) (in such capacity, the “**1990 Bond Trustee**”), for the 1994 Bonds (as defined below) (in such capacity, the “**1994 Bond Trustee**”), for the 2002 Bonds and the 2005 Bonds (each as defined below) (in such capacity, the “**2002/5 Bond Trustee**”), and the New York City Industrial Development Agency (the “**IDA**”) with respect to, among other things, the Debtors’ assumption of the 2002/5 Company Sublease and 2002/5 IDA Sublease (each as defined below) and the characterization of the transactions underlying the issuance of the 1990 Bonds and 1994 Bonds. The Debtors, the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee and the IDA are each referred to individually as a “**Party**” and collectively as the “**Parties**”.

**RECITALS:**

A. WHEREAS, on November 29, 2011, the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States code (the “**Bankruptcy Code**”) (such filings, the “**Chapter 11 Filing**”).

B. WHEREAS, the 1990 Bond Trustee is the indenture trustee for the publicly issued \$83,930,000 in aggregate original principal amount of Special Facility Revenue Bonds (the “**1990 Bonds**,” and the holders of such Bonds, the “**1990 Bondholders**”) issued by the IDA pursuant to the terms of an Indenture of Trust, dated as of August 1, 1990, between the IDA and United States Trust Company of New York (a predecessor indenture trustee) (the “**1990 Indenture**”).

C. WHEREAS, the 1994 Bond Trustee is the indenture trustee for the publicly issued \$83,085,000 in aggregate original principal amount of Special Facility Revenue Bonds (the “**1994 Bonds**,” and the holders of such Bonds, the “**1994 Bondholders**”) issued by the IDA pursuant to the terms of an Indenture of Trust, dated as of August 1, 1994, between the IDA and United States Trust Company of New York (a predecessor indenture trustee) (the “**1994 Indenture**”).

D. WHEREAS, the 1990 Bonds are guaranteed by AMR pursuant to that certain Guaranty, dated August 1, 1990 (the “**1990 Guaranty**”), and the 1994 Bonds are guaranteed by AMR pursuant to that certain Guaranty, dated August 1, 1994 (the “**1994 Guaranty**”).

E. WHEREAS, American subleased American’s facilities located at John F. Kennedy International Airport (the “**JFK Premises**”) and LaGuardia Airport (the “**LGA Premises**” and, together with the JFK Premises, the “**Premises**”) from (i) the Port Authority of

New York and New Jersey (the “**Port Authority**”) pursuant to those certain (a) Agreement of Lease (AYB-085), dated August 1, 1976 the (“**1976 PA Lease**”), (b) Agreement of Lease (AYB-040), dated November 1, 1975, and (c) Agreement of Lease (AG-416), dated January 1, 1957, and (ii) other airlines (who subleased various portions of the Premises from the Port Authority) pursuant to those certain (a) Facility Use Agreement, dated October 5, 1989, with United Air Lines, Inc. and (b) Gate Use Agreement, dated December 13, 1989, with Northwest Airlines, Inc. (the leases referenced in (i) and (ii), collectively, as amended from time to time, the “**PA Leases**”).

F. WHEREAS, pursuant to that certain Company Lease, dated August 1, 1990 (the “**1990 Company Sublease**”), American sub-subleased a portion of the Premises, which leased premises are described in the Description of Leased Facilities annexed as an appendix to the 1990 Company Sublease (the “**1990 Premises**”) to the IDA, and the IDA sub-sub-subleased the 1990 Premises back to American pursuant to that certain Lease Agreement, dated August 1, 1990 (the “**1990 IDA Sublease**”).

G. WHEREAS, on August 1, 1994, American entered into additional lease agreements with regard to the 1990 Premises as well as with regard to certain other improvements (together with the 1990 Premises, the “**1994 Premises**”) pursuant to those certain (i) Company Lease, dated August 1, 1994, with the IDA, pursuant to which American sub-subleased the 1994 Premises to the IDA (the “**1994 Company Sublease**”) and (ii) Lease Agreement, dated August 1, 1994, with the IDA, pursuant to which the IDA sub-sub-subleased the 1994 Premises back to American (the “**1994 IDA Sublease**”), which in each case, with respect to the 1990 Premises, were made “subject to” the 1990 Company Sublease and the 1990 IDA Sublease.

H. WHEREAS, the former Terminal 8 and Terminal 9 at JFK International Airport which previously comprised a portion of the 1990 Premises and 1994 Premises were previously demolished.

I. WHEREAS, the 2002/5 Bond Trustee is the indenture trustee for the publicly issued \$1,300,000,000 in aggregate original principal amount of Special Facility Revenue Bonds issued by the IDA pursuant to the terms of a Master Indenture of Trust, dated as of July 1, 2002, between the IDA and The Bank of New York, as amended by an Amended and Restated Master Indenture of Trust, dated as of November 1, 2005, between the IDA and The Bank of New York (the “**2002/5 Indenture**”), as supplemented by (x) the First Series Supplemental Indenture of Trust, dated as of July 1, 2002, between the IDA and The Bank of New York, (y) the Second Series Supplemental Indenture of Trust, dated as of July 1, 2002, between the IDA and The Bank of New York (the “**2002/5 Second Supplemental Indenture**”) and (z) the Third Series Supplemental Indenture, dated as of November 1, 2005, between the IDA and The Bank of New York (the “**2002/5 Third Supplemental Indenture**”), consisting of—

(i) \$120,000,000 in aggregate original principal amount of IDA Special Facility Revenue Bonds, Series 2002A (the “**2002A Bonds**” and the holders of such Bonds, the “**2002A Bondholders**”);

(ii) \$380,000,000 in aggregate original principal amount of IDA Special Facility Revenue Bonds, Series 2002B (the “**2002B Bonds**,” and the holders of such Bonds, the “**2002B Bondholders**”), and

(iii) \$800,000,000 in aggregate original principal amount of IDA Special Facility Revenue Bonds, Series 2005 (the “**2005 Bonds**,” and the holders of such Bonds,

the “**2005 Bondholders**”; such 2005 Bonds together with the 2002A Bonds and the 2002B Bonds, the “**2002/5 Bonds**”; such 2002/5 Bonds together with the 1990 Bonds and 1994 Bonds, the “**Bonds**”; such 2005 Bondholders together with the 2002A Bondholders, and the 2002B Bondholders, the “**2002/5 Bondholders**”; and such 2002/5 Bondholders together with the 1990 Bondholders and 1994 Bondholders, the “**Bondholders**”).

J. WHEREAS, the 2002/5 Bonds are guaranteed by AMR pursuant to that certain Guaranty, dated July 1, 2002, and by American pursuant to that certain Guaranty, dated July 1, 2002 (the “**2002/5 Guarantees**”), and American and AMR each executed a Confirmation of Guaranty (the “**2002/5 Confirmations of Guarantees**”) confirming, among other things, that the 2002/5 Guarantees apply equally to the 2002A, 2002B and 2005 Bonds.

K. WHEREAS, American and the IDA are party to that certain Leasehold Mortgage and Security Agreement, dated November 8, 2005, by American in favor of the 2002/5 Bond Trustee (the “**2002/5 Leasehold Mortgage**”).

L. WHEREAS, American, the IDA and the 2002/5 Bond Trustee are party to that certain Equipment Security Agreement, dated July 1, 2002, among American, The Bank of New York and the IDA, as amended by that certain Amended and Restated Equipment Security Agreement, dated November 1, 2005 (the “**2002/5 Equipment Security Agreement**”).

M. WHEREAS, there has been established under the terms of the 2002/5 Indenture a Debt Service Reserve Fund (the “**Debt Service Reserve Fund**”) and within such Debt Service Reserve Fund there have been established certain accounts, including, (i) the Series 2002B Debt Service Reserve Account (the “**2002B DSR Account**”) with a balance as of February 1, 2013 of \$36,102,660.00, and (ii) the Series 2005 Debt Service Reserve Account the

(“**2005 DSR Account**”) with a balance as of February 1, 2013 of \$77,455,718.00 (such balances, which are exclusive of interest earned, the “**DSR Account Balances**”).

N. WHEREAS, there has been established under the terms of the 2002/5 Indenture a Lease Payments Fund (the “**2002/5 Lease Payments Fund**”) and a Bond Fund (the “**2002/5 Bond Fund**”).

O. WHEREAS, American sub-subleased all or a portion of the premises subject to the 1976 PA Lease to the IDA (the “**2002/5 Premises**”) pursuant to that certain Company Sublease Agreement, dated July 1, 2002, as amended by that certain Amended and Restated Company Sublease Agreement, dated November 1, 2005 (the “**2002/5 Company Sublease**”), and the IDA sub-sub-subleased the 2002/5 Premises back to American pursuant to that certain IDA Lease Agreement, dated July 1, 2002, as amended by that certain Amended and Restated IDA Lease Agreement, dated November 1, 2005 (the “**2002/5 IDA Sublease**”).

P. WHEREAS, American contends that American’s use and occupancy of the premises at JFK is currently governed by the PA Leases and the 2002/5 IDA Sublease.

Q. WHEREAS, the Parties have entered into certain other agreements which may affect the rights, duties and responsibilities of the Parties and the Bondholders (such other agreements in respect of the 1990 Bonds, together with the 1990 Indenture, the 1990 Company Sublease, the 1990 IDA Sublease and the 1990 Guaranty, the “**1990 Transaction Documents**”; such other agreements in respect of the 1994 Bonds, together with the 1994 Indenture, the 1994 Company Sublease, the 1994 IDA Sublease and the 1994 Guaranty, the “**1994 Transaction Documents**”; such other agreements in respect of the 2002/5 Bonds, together with the 2002/5 Indenture, the 2002/5 Company Sublease, the 2002/5 IDA Sublease, the 2002/5 Guarantees, the 2002/5 Confirmation of Guarantees, the 2002/5 Leasehold Mortgage and the 2002/5 Equipment

Security Agreement, the “**2002/5 Transaction Documents**”; and the 1990 Transaction Documents, the 1994 Transaction Documents and the 2002/5 Transaction Documents, collectively, the “**Transaction Documents**”, with references in this Stipulation to any such Transaction Document being to such document as it may have been amended or supplemented).

R. WHEREAS, the Debtors have made certain postpetition payments under the 1990 IDA Sublease and 2002/5 IDA Sublease, but have not made any postpetition payments under the 1994 IDA Sublease.

S. WHEREAS, due to alleged uncertainties and allocation issues arising as a result of the Chapter 11 Filing and subsequent events, the 1990 Bond Trustee has not made any distributions to the 1990 Bondholders since the Chapter 11 Filing and the 2002/5 Bond Trustee has distributed to the 2002/5 Bondholders a portion of the postpetition payments it has received and continues to hold a portion of such postpetition payments.

T. WHEREAS, on or about May 15, 2012, the 2002/5 Bond Trustee filed that certain Motion of the Bank of New York Mellon Trust Company, N.A., as Indenture Trustee, For Adequate Protection (the “**Adequate Protection Motion**”) pursuant to which the 2002/5 Bond Trustee sought adequate protection in connection with the 1976 PA Lease and the 2002/5 Bonds.

U. WHEREAS, the Debtors desire to assume the 2002/5 IDA Sublease under Section 365(a) of the Bankruptcy Code.

V. WHEREAS, the Debtors have previously assumed the PA Leases pursuant to orders of the Bankruptcy Court dated June 20, 2012 and July 19, 2012.

W. WHEREAS, certain of the 1990 Bondholders and 1994 Bondholders have asserted that they may hold an equitable lien on some or all of the 2002/5 Premises, and the Debtors and certain of the 2002/5 Bondholders may dispute such assertions.

X. WHEREAS, the 1990 Bond Trustee asserts that it has been directed by holders of a majority in principal amount of the 1990 Bonds (the “**1990 Directing Bondholders**”) to enter into this Stipulation; the 1994 Bond Trustee asserts that it has been directed by holders of a majority in principal amount of the 1994 Bonds (the “**1994 Directing Bondholders**”) to enter into this Stipulation; and the 2002/5 Bond Trustee asserts that it has been directed by holders of a majority in principal amount of each of the 2002A Bonds, the 2002B Bonds and the 2005 Bonds (the “**2002/5 Directing Bondholders**” and together with the 1990 Directing Bondholders and the 1994 Directing Bondholders, the “**Directing Bondholders**”) to enter into this Stipulation.

Y. WHEREAS, the Parties desire to resolve and settle their differences regarding the treatment of the Bonds and the Transaction Documents, the Debtors’ continued use of the JFK Premises and LGA Premises, and related issues, their consequences and the rights of the Parties in respect thereof, on the terms set forth herein.

**IT IS HEREBY STIPULATED AND AGREED, by and among the Debtors, the IDA, the 1990 Bond Trustee, the 1994 Bond Trustee and the 2002/5 Bond Trustee, through their undersigned attorneys, that:**

1. Each of the terms and conditions of the Stipulation contained herein is binding on the Parties, subject to the occurrence of the Effective Date (defined below) with regards to certain provisions as more fully set forth in this Stipulation.

***1990 and 1994 Subleases***

***Recharacterization***

2. For purposes of settlement, the Parties agree that effective upon the later of (i) the date that an order approving this Stipulation (the “**Settlement Order**”) becomes final



and non-appealable or (ii) the date on which each of the Parties hereto shall have executed this Stipulation (the “**Effective Date**”),<sup>1</sup> the transactions entered into in connection with the 1990 Bonds and the 1994 Bonds (including, without limitation, the 1990 Company Sublease, 1990 IDA Sublease, 1994 Company Sublease, and 1994 IDA Sublease) shall be deemed unsecured financings (the “**Recharacterization**”), and that each of the 1990 Company Sublease, 1990 IDA Sublease, 1990 Guaranty, 1994 Company Sublease, 1994 IDA Sublease and 1994 Guaranty shall constitute non-executory contracts that are not subject to rejection under Section 365 of the Bankruptcy Code; provided, however, for the avoidance of doubt, that (i) the Recharacterization shall in no way affect the validity of the PA Leases or 2002/5 Transaction Documents and (ii) the Debtors shall be entitled to continue to use the JFK Premises and the LGA Premises (if any) financed by the proceeds of the 1990 Bonds and/or the 1994 Bonds, in accordance with the terms of the PA Leases and the 2002/5 Transaction Documents. The parties further agree for purposes of settlement that no acceleration or redemption obligations with respect to the 1990 Bonds or 1994 Bonds resulted from the Chapter 11 Filing.

3. To the extent their consent is necessary, each of the Parties consents to the Recharacterization, subject to the terms of this Stipulation.

4. As of the Effective Date, each of the Parties as well as any present or future 1990 Bondholder or 1994 Bondholder shall be deemed to have irrevocably waived and released, on behalf of itself and its respective estate, any and all rights to challenge the Recharacterization or to take any action inconsistent therewith.

*Claims and Fee Payments.*

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<sup>1</sup> Notwithstanding anything in this Stipulation or the Settlement Order, if each of the Parties to the Stipulation have not executed this Stipulation before the date that the Settlement Order becomes final and non-appealable, this Stipulation shall be terminated and shall become null and void and of no force and effect, unless otherwise agreed to in writing by the Parties.

5. *Allowed Unsecured Claims.* The Parties agree for purposes of settlement that, in respect of its prepetition claims against American and AMR, (i) the 1990 Bond Trustee shall be granted one allowed general unsecured claim against American and one allowed general unsecured claim against AMR, in each case comprised of a general unsecured claim of the 1990 Bond Trustee in the amount of \$85,793,246.00 (representing principal plus accrued but unpaid prepetition interest), and (ii) the 1994 Bond Trustee shall be granted one allowed general unsecured claim against American and one allowed general unsecured claim against AMR, in each case comprised of a general unsecured claim of the 1994 Bond Trustee in the amount of \$84,964,105.75 (representing principal plus accrued but unpaid prepetition interest) and, except as may be provided expressly herein, any other amounts claimed by the 1990 Bond Trustee or the 1994 Bond Trustee on behalf of itself and/or the 1990 Bondholders or the 1994 Bondholders shall be disallowed and/or deemed withdrawn.<sup>2</sup>

6. *IDA Fees & Expenses.* Within thirty (30) days after the Effective Date or such later date as may be agreed to by and between the Debtors and the IDA, the Debtors shall, for purposes of settlement, pay all reasonable prepetition and postpetition fees and expenses of the IDA and its counsel and other advisors incurred in connection with the 1990 Bonds or the 1994 Bonds on or prior to the Effective Date and invoiced to the Debtors on or prior to the fifteenth (15<sup>th</sup>) day after the Effective Date, including, without limitation postpetition administrative fees owed to the IDA, the amount of which is presently estimated to be \$2,473.68.

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<sup>2</sup> Nothing in this Stipulation is intended to grant or release any claim that the 1990 Bond Trustee or the 1994 Bond Trustee may have for interest (including interest on overdue interest) due and owing on the 1990 Bonds or the 1994 Bonds which may have accrued or may yet accrue after the date of the Chapter 11 Filing (“**Postpetition Interest**”) to the extent provided for in the applicable 1990 Transaction Documents or 1994 Transaction Documents; *provided that*, the Debtors retain all rights and defenses to any claim for Postpetition Interest asserted by the 1990 Bond Trustee or the 1994 Bond Trustee. Nothing in this Stipulation is intended to grant or release any claim by the IDA arising under the 1990 Transaction Documents or the 1994 Transaction Documents for indemnification asserted in Proof of Claim 11909 against American; *provided that*, the Debtors retain all rights and defenses to such claim other than the right to object on the basis that such claim against American was not filed by the claims bar date established for general unsecured claims in the Debtors’ chapter 11 cases.

*1990 Bond Trustee Fees & Expenses*

7. For purposes of settlement of claims by the 1990 Bond Trustee with respect to the Debtors' alleged obligations under the 1990 Transaction Documents to pay the fees and expenses of the 1990 Bond Trustee incurred in connection with or allocable to the 1990 Bonds prior to the Effective Date, the Parties agree that the 1990 Bond Trustee shall receive payments in cash or shall be entitled to allowed general unsecured claims as follows:

	Description	Amount	Derivation of Amount	Timing	Source of Payment
(i)	Cash payment for a portion of the prepetition and postpetition fees and expenses of the 1990 Bond Trustee, its counsel and other advisors incurred through September 30, 2012.	\$221,414.59	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$440,600.	Within thirty (30) days after receipt by the 2002/5 Bond Trustee of the 2002/5 Cure Payments (defined below) or as soon thereafter as practicable.	The 2002B Bondholder Contribution to the 1990 Fees (defined in Paragraph 30 below).
(ii)	Cash payment for a portion of the postpetition fees and expenses of the 1990 Bond Trustee and its counsel and other advisors incurred between October 1, 2012 and the Effective Date and invoiced to the Debtors on or prior to the fifteenth (15 <sup>th</sup> ) day after the Effective Date.	\$25,126.49	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$50,000.	Within thirty (30) days after the Effective Date or such later date as agreed to by the Debtors and the 1990 Bond Trustee.	Payment by the Debtors.
(iii)	One allowed general unsecured claim against American and one allowed general unsecured claim against AMR in respect of the portion of the completion fee of Seabury Advisors, the Trustee's financial advisor, allocable to the 1990 Bonds.	\$83,930.00	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$167,015, the aggregate amount of the completion fee of Seabury allocable to the 1990 Bonds.		

(The payment described in row (ii) of the foregoing table is hereinafter referred to as the “**1990 Fee Payment**” and Seabury Advisors is hereinafter referred to as “**Seabury**.”) Other than as provided in row (iii) of the foregoing table, the Debtors shall have no further obligations to any party (including, but not limited to, the 1990 Bond Trustee and Seabury) in respect of the portion of the completion fee of Seabury allocable to the 1990 Bonds, and shall not be responsible or liable for any asserted shortfall between the amount recovered by the 1990 Bond Trustee in respect of the claims described in row (iii) of the foregoing table and any amount otherwise asserted to be owed to Seabury in respect of the portion of Seabury’s completion fee allocable to the 1990 Bonds.

The 1990 Bond Trustee shall be granted one allowed general unsecured claim against American and one allowed general unsecured claim against AMR in respect of the reasonable prepetition and postpetition fees and expenses incurred or to be incurred by the 1990 Bond Trustee and its legal counsel and other advisors in connection with, or allocable to, the 1990 Bonds, less the amounts set forth above in the table in this Paragraph 7. The Debtors retain the right to review such claims for reasonableness and retain the right to object to any such claims, and all parties reserve all rights and defenses in connection with any such claims; provided that the right of the 1990 Bond Trustee to assert a “substantial contribution” application for any such fees incurred prior to the Effective Date (whether or not previously asserted as part of the aforementioned claims) shall be waived.

*1994 Bond Trustee Fees & Expenses*

8. For purposes of settlement of claims by the 1994 Bond Trustee with respect to the Debtors’ alleged obligations under the 1994 Transaction Documents to pay the fees and expenses of the 1994 Bond Trustee incurred in connection with or allocable to the 1994

Bonds prior to the Effective Date, the Parties agree that the 1994 Bond Trustee shall receive payments in cash or shall be entitled to allowed general unsecured claims as follows:

	Description	Amount	Derivation of Amount	Timing	Source of Payment
(i)	Cash payment for a portion of the prepetition and postpetition fees and expenses of the 1994 Bond Trustee, its counsel and other advisors incurred through September 30, 2012.	\$219,185.41	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$440,600.	Within thirty (30) days after receipt by the 2002/5 Bond Trustee of the 2002/5 Cure Payments (defined below) or as soon thereafter as practicable.	The 2002B Bondholder Contribution to the 1994 Fees (defined in Paragraph 34 below).
(ii)	Cash payment for a portion of the postpetition fees and expenses of the 1994 Bond Trustee and its counsel and other advisors incurred between October 1, 2012 and the Effective Date and invoiced to the Debtors on or prior to the fifteenth (15 <sup>th</sup> ) day after the Effective Date.	\$24,873.51	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$50,000.	Within thirty (30) days after the Effective Date or such later date as agreed to by the Debtors and the 1994 Bond Trustee.	Payment by the Debtors.
(iii)	One allowed general unsecured claim against American and one allowed general unsecured claim against AMR in respect of the portion of the completion fee of Seabury allocable to the 1994 Bonds.	\$83,085.00	Pro rata allocation, based on principal amount, between the 1990 Bonds and the 1994 Bonds of \$167,015, the aggregate amount of the completion fee of Seabury allocable to the 1994 Bonds.		

(The payment described in row (ii) of the foregoing table is hereinafter referred to as the “**1994 Fee Payment**.”) Other than as provided in row (iii) of the foregoing table, the Debtors shall have no further obligations to any party (including, but not limited to, the 1994 Bond Trustee and Seabury) in respect of the portion of the completion fee of Seabury allocable to the 1994 Bonds,

and shall not be responsible or liable for any asserted shortfall between the amount recovered by the 1994 Bond Trustee in respect of the claims described in row (iii) of the foregoing table and any amount otherwise asserted to be owed to Seabury in respect of the portion of Seabury's completion fee allocable to the 1994 Bonds.

The 1994 Bond Trustee shall be granted one allowed general unsecured claim against American and one allowed general unsecured claim against AMR in respect of the reasonable prepetition and postpetition fees and expenses incurred or to be incurred by the 1994 Bond Trustee and its legal counsel and other advisors in connection with, or allocable to, the 1994 Bonds, less the amounts set forth above in the table in this Paragraph 8. The Debtors retain the right to review such claims for reasonableness and retain the right to object to any such claims, and all parties reserve all rights and defenses in connection with any such claims; provided that the right of the 1994 Bond Trustee to assert a "substantial contribution" application for any such fees incurred prior to the Effective Date (whether or not previously asserted as part of the aforementioned claims) shall be waived.

9. The treatment of the 1990 Bonds and 1994 Bonds provided for in this Stipulation, including the allowed general unsecured claims to be granted to the 1990 Bond Trustee and the 1994 Bond Trustee, shall, upon payment thereof, constitute full and final satisfaction of any claims against the Debtors on account of the 1990 Bonds and 1994 Bonds, and the Debtors shall be entitled to continue to use the 1990 Premises and 1994 Premises without having to make any continued or additional payments on account of the 1990 Bonds or 1994 Bonds.<sup>3</sup>

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<sup>3</sup> Nothing in this Stipulation is intended to grant or release any claim that the 1990 Bond Trustee or the 1994 Bond Trustee may have for Postpetition Interest to the extent provided for in the applicable 1990 Transaction Documents or 1994 Transaction Documents; *provided that*, the Debtors retain all rights and defenses to any claim for Postpetition Interest asserted by the 1990 Bond Trustee or the 1994 Bond Trustee.

***2002/ 2005 Subleases***

*Assumption*

10. Effective upon the Effective Date, the Debtors shall be deemed to have assumed the 2002/5 Company Sublease and the 2002/5 IDA Sublease.
11. To the extent their consent is necessary, each of the Parties consents to the foregoing assumption, subject to the terms of this Stipulation.
12. The Debtors have provided adequate assurance of future performance of the 2002/5 Company Sublease and 2002/5 IDA Sublease, and no further showing of adequate assurance is necessary.
13. As of the Effective Date, the Adequate Protection Motion shall be deemed withdrawn without prejudice solely with respect to the 1976 PA Lease, the 2002/5 Bonds, and any interest in collateral claimed by the 2002/5 Bond Trustee or the 2002/5 Bondholders in connection therewith.
14. The Parties agree for the purposes of settlement that (i) any default arising under the 2002/5 IDA Sublease or other 2002/5 Transaction Documents as a result of the Chapter 11 Filing shall be deemed cured upon the Effective Date and (ii) no acceleration or redemption obligations with respect to the 2002/5 Bonds resulted from the Chapter 11 Filing.
15. The Chapter 11 Filing has not, does not and shall not affect the validity or enforceability of the 2002/5 Guarantees or the 2002/5 Confirmations of Guarantees, which, to the extent such documents were valid and enforceable prior to the Chapter 11 Filing, shall remain valid and enforceable as if there had never been a Chapter 11 Filing. For the avoidance of doubt, all rights, positions, claims or defenses of any party in respect of the 2002/5 Guarantees or 2002/5 Confirmations of Guarantees that existed prior to the Chapter 11 Filing are reserved.

16. As of the Effective Date, each of the Debtors shall be deemed to have irrevocably waived and released, on behalf of itself and its estate, any and all rights to recharacterize as financings any of the transactions entered into in connection with the 2002/5 Bonds pursuant to the 2002/5 Transaction Documents.

*2002/5 Fees & Expenses*

17. *IDA Fees & Expenses.* Within thirty (30) days after the Effective Date or such later date as may be agreed to by and between the Debtors and the IDA, the Debtors shall, for purposes of settlement, pay all reasonable prepetition and postpetition fees and expenses of the IDA and its counsel and other advisors incurred in connection with the 2002/5 Bonds on or prior to the Effective Date and invoiced to the Debtors on or prior to the fifteenth (15<sup>th</sup>) day after the Effective Date. After the Effective Date, the Debtors shall continue to pay all reasonable fees and expense of the IDA and its respective counsel and other advisors incurred in connection with the 2002/5 Bonds (including fees incurred prior to the Effective Date but not invoiced prior to the fifteenth (15<sup>th</sup>) day after the Effective Date) to the extent provided for (which shall include unpaid postpetition administrative fees of the IDA in an amount presently estimated to be \$500), and in accordance with, applicable documents, within 30 days after receipt of an invoice for such fees (or by such other later date as may be mutually agreed by the Debtors and the IDA); provided, however, that nothing herein shall be deemed to constitute a waiver of the Debtors' right to challenge any such claimed fees or expenses. Additionally, it is agreed that the Chapter 11 Filing has not, does not and shall not affect the validity or enforceability of the indemnity obligations (if any) of the Debtors to the IDA under the 2002/5 Transaction Documents, which to the extent valid and enforceable prior to the Chapter 11 Filing, shall remain valid and enforceable as if there had never been a Chapter 11 Filing.



*2002/5 Bond Trustee Fees & Expenses*

18. In full satisfaction of any alleged obligations the Debtors may have under the 2002/5 Transaction Documents in respect of the prepetition and postpetition fees and expenses of the 2002/5 Bond Trustee incurred through September 30, 2012 in connection with the 2002/5 Bonds (other than the portion of the completion fee of Seabury allocable to the 2002/5 Bonds) (the “**2002/5 Fees Through 9/30/2012**”), it is agreed, for purposes of settlement, that the 2002/5 Bond Trustee shall receive payments in cash as follows:

	Description	Amount	Derivation of Amount	Timing	Source of Payment
(i)	Cash payment for a portion of the 2002/5 Fees Through 9/30/2012.	\$1,500,000		At any time after the Effective Date (in the sole discretion of the 2002/5 Bond Trustee).	Withdrawal from the 2002B DSR Account in the amount of \$476,882.38 and from the 2005 DSR Account in the amount of \$1,023,117.62, (reflecting a pro rata allocation of the \$1,500,000 based on the respective DSR Account Balances).
(ii)	Cash payment for a portion of the 2002/5 Fees Through 9/30/2012.	\$706,546		Within thirty (30) days after the Effective Date or such later date as may be agreed to by the Debtors and the 2002/5 Bond Trustee.	Payment by the Debtors.

(iii)	Cash payment for any 2002/5 Fees Through 9/30/2012 whose payment is not provided for in rows (i) and (ii) of this table.	Estimated by the 2002/5 Bond Trustee as of the date of this Stipulation at approximately \$96,836		Within thirty (30) days after receipt by the 2002/5 Bond Trustee of the 2002/5 Cure Payments (defined below) or as soon thereafter as practicable	Moneys paid or to be paid by American to the 2002/5 Bond Trustee as rental payments under the 2002/5 IDA Sublease in respect of regularly scheduled interest payments on the 2002B Bonds <sup>4</sup>
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(The payment described in row (i) of the foregoing table is hereinafter referred to as the “**DSR Fee Contribution**”; the payment described in row (ii) of the foregoing table, together with the payments made pursuant to Paragraph 19 are hereinafter referred to as the “**2002/5 Cure Payments**”; and the payment described in row (iii) of the foregoing table is hereinafter referred to as the “**2002B Bondholder Contribution to the 2002/5 Fees**.”) The payment described in row (ii) of the foregoing table shall first be allocated to the portion of the 2002/5 Fees Through 9/30/2012 that are annual trustee fees, distribution fees and any default group extra-ordinary fees, with remaining amounts being applied to any other 2002/5 Fees Through 9/30/2012.

19. *2002/5 Fees Incurred Between 10/1/2012 and the Effective Date.* Within thirty (30) days after the Effective Date or such later date as may be agreed to by the Debtors and the 2002/5 Bond Trustee, the Debtors shall pay all reasonable fees and expenses of the 2002/5 Bond Trustee and its counsel and other advisors (the 2002/5 Bond Trustee and each of its respective counsel and advisors being a “**2002/5 Payee**”) incurred in connection with or allocable to the 2002/5 Bonds between October 1, 2012 and the Effective Date, and invoiced (such invoices the “**2002/5 Invoices**”) to the Debtors prior to the fifteenth (15<sup>th</sup>) day after the

<sup>4</sup> For the avoidance of doubt, it is understood by the Parties that nothing in row (iii) of this table shall require the Debtors to remit any moneys not previously contemplated to be paid under the 2002/5 IDA Sublease.

Effective Date; *provided* that, the Debtors shall not be required to reimburse any of the fees and expenses of Seabury incurred in connection with or allocable to the 2002/5 Bonds between October 1, 2012 and the Effective Date (other than such fees and expenses to the extent such fees and expenses were directly necessary to assist the 2002/5 Bond Trustee and the 2002/5 Bondholders in pursuing the settlement embodied herein). It is expected that any fees incurred by Seabury between October 1, 2012 and the Effective Date in connection with the 2002/5 Bonds will not exceed \$10,000. If such fees and expenses are expected to exceed \$10,000, Seabury shall be required to use its reasonable best efforts to promptly notify the Debtors and discuss with the Debtors any anticipated excess, and, if possible, prior to incurring additional fees or charges.

20. With respect to fees and expenses incurred between October 15, 2012 and the earlier of (x) the effective date of the Debtors' chapter 11 plan and (y) a date on which the Debtors file a motion seeking to reject the 2002/5 IDA Sublease or take such further action that directly, adversely, and materially impacts the 2002/5 Bonds (such event a "**Material Event**"), the Debtors shall not be required to reimburse any amounts in excess of \$10,000 per month of the "general fees" that the 2002/5 Bond Trustee may incur in connection with the Debtors' bankruptcy cases ("**General Fees**") and that the 2002/5 Bond Trustee and/or its professionals allocate to the 2002/5 Bonds. Following the occurrence of the events described in (x) or (y) in this Paragraph 20, whichever comes earlier, the Debtors shall be obligated to reimburse only such reasonable fees and expenses as are required to be reimbursed under the applicable 2002/5 Transaction Documents and such obligations shall not be subject to any of the limitations provided for in this Stipulation; *provided, however*, that notwithstanding the foregoing, payment of the 2002/5 Completion Fee shall remain subject to the terms of this Stipulation.

21. The Debtors shall not be liable to reimburse any fees and expenses related to the 2002/5 Bonds incurred by Seabury between the Effective Date and the earlier of (x) the effective date of the Debtors' chapter 11 plan and (y) the occurrence of a Material Event. Following the occurrence of the events described in (x) or (y) in this Paragraph 21, whichever comes earlier, the Debtors shall be obligated to reimburse only such reasonable fees and expenses as are required to be reimbursed under the applicable 2002/5 Transaction Documents and such obligations shall not be subject to any of the limitations provided for in this Stipulation; *provided, however*, that notwithstanding the foregoing, payment of the 2002/5 Completion Fee shall remain subject to the terms of this Stipulation.

22. From and after the Effective Date, the 2002/5 Bond Trustee and its counsel and other advisors may continue to incur fees and expenses, and the Debtors will pay such reasonable fees to the extent provided for and in accordance with the applicable 2002/5 Transaction Documents within thirty (30) days after receipt of an invoice for such fees and expenses (or such other later date as may be mutually agreed to by the Debtors and the 2002/5 Bond Trustee) subject to the limitations contained in (i) Paragraphs 20 and 21 of this Stipulation regarding the allocation of General Fees and the incurrence of fees by Seabury and (ii) Paragraph 23, below; *provided* that nothing herein shall be construed to constitute a waiver of any defense to any such fees and expenses claimed.

23. If the 2002/5 Bond Trustee's legal counsel believes that fees and expenses incurred by the 2002/5 Bond Trustee and its counsel and other advisors after the Effective Date prior to the effective date of the Debtors' chapter 11 plan in connection with the 2002/5 Bonds (including fees and expenses incurred in connection with or allocable to the 2002/5 Guarantees, but not including the "General Fees") (the "**Post-Effective Date JFK 2002/5 Fees**") are likely to

exceed \$25,000 in any one month, the 2002/5 Bond Trustee's legal counsel shall use its best reasonable efforts to notify the Debtors and discuss with the Debtors the reasonableness of such fees. If the Debtors dispute the reasonableness of the Post-Effective Date JFK 2002/5 Fees, the 2002/5 Bond Trustee's legal counsel agrees that it will submit its Post-Effective Date JFK 2002/5 Fees to a fee examiner (mutually agreed to between the 2002/5 Bond Trustee and the Debtors) or the Bankruptcy Court for a review for their reasonableness. Each of the Parties shall be bound by any decision by a fee examiner or the Bankruptcy Court in connection with a review of the reasonableness of Post-Effective Date JFK 2002/5 Fees and the Debtors agree to pay any fees and expenses deemed reasonable by the Bankruptcy Court or fee examiner.

24. Within thirty (30) days after the effective date of the Debtors' chapter 11 plan, the Debtors shall make a cash payment of \$1,030,710 to the 2002/5 Bond Trustee in respect of the portion of the reduced completion fee of Seabury allocable to the 2002/5 Bonds (the **"2002/5 Completion Fee"**). Other than as provided in the immediately preceding sentence, the Debtors and the 2002/5 Bond Trustee shall have no further obligations in respect of the 2002/5 Completion Fee.

25. The Debtors, the IDA and the 2002/5 Bond Trustee each represent that, other than any alleged defaults prompting the 2002/5 Cure Payments, the payments to the IDA pursuant to Paragraph 17 hereof, and any alleged defaults that may have resulted from the Chapter 11 Filing (if any), they have no knowledge of any default existing (as of the date of this Stipulation) under the 2002/5 IDA Sublease. The Parties agree that the Debtors shall not be required to make any further payment in connection with existing defaults, if any, under the 2002/5 IDA Sublease in excess of the sum of the 2002/5 Cure Payments and the payments to the IDA pursuant to Paragraph 17 hereof.

26. For purposes of settlement, the Parties agree that as of the date of this Stipulation, with the exception of the aforementioned fees and expenses, there are no amounts outstanding under the 2002/5 IDA Sublease whose dates of payment have passed.

27. The provisions of the 2002/5 Transaction Documents which provide for (i) payment of fees and expenses of the 2002/5 Bond Trustee following a default or event of default, (ii) the priority of payment of the fees and expenses of the 2002/5 Bond Trustee, or (iii) the imposition of liens in respect of the fees and expenses of the 2002/5 Bond Trustee, shall apply to the activities of the 2002/5 Bond Trustee in respect of the Debtors' chapter 11 cases as if an event of default under the 2002/5 Indenture, 2002/5 IDA Sublease and other 2002/5 Transaction documents has occurred and is continuing whether or not that is the case; *provided, however*, that for all other purposes other than those expressly identified in this Paragraph 27, any default arising under the 2002/5 Indenture, 2002/5 IDA Sublease or other 2002/5 Transaction Documents as a result of the Chapter 11 Filing shall be deemed cured upon the Effective Date; *provided further*, that if pursuant to paragraph 23 of this Stipulation, a fee examiner or the Bankruptcy Court rules that any fees or expenses of the 2002/5 Bond Trustee are not reasonable or are not otherwise required to be reimbursed by the Debtors, the Debtors shall have no obligations to the 2002/5 Bond Trustee or the 2002/5 Bondholders with respect to such fees or expenses and the Debtors shall not be deemed to be in default under any of the 2002/5 Transaction Documents as a result of a failure by the Debtors to pay any such fees and expenses or as a result of any remedies taken by the 2002/5 Bond Trustee in connection with collection of such fees and expenses, including but not limited to, the imposition of liens or the assertion of priority of payments against the proceeds of the 2002/5 Bonds by the 2002/5 Bond Trustee; *provided further*, for the avoidance of doubt, notwithstanding the foregoing, any obligation by

the Debtors to reimburse the fees and expenses of the 2002/5 Bond Trustee incurred in connection with the Debtors' chapter 11 cases shall be subject to the limitations provided for in this Stipulation.

28. The 2002/5 Bond Trustee shall be permitted to retain (and apply in accordance with this Stipulation) all payments it has received from the Debtors, including payments made under the 2002/5 IDA Sublease following the Chapter 11 Filing. Such payments shall not be subject to any type of disgorgement, avoidance or other claim by the Debtors, the Debtors' estates or any other person.

***Transfers and Payments in Respect of the 1990 Bonds and the 1994 Bonds***

*In respect of the 1990 Bonds.*

29. The 1990 Bond Trustee shall be permitted to retain (and apply in accordance with this Stipulation) all payments it has received from the Debtors, including payments made under the 1990 IDA Sublease following the Chapter 11 Filing. Such payments shall not be subject to any type of disgorgement, avoidance or other claim by the Debtors, the Debtors' estates or any other person.

30. The following cash amounts shall be transferred to the 1990 Bond Trustee by the 2002/5 Bond Trustee or the paying agent under the 2002/5 Bonds, within thirty (30) days after receipt by the 2002/5 Bond Trustee of the 2002/5 Cure Payments or as soon thereafter as practicable—

	Amount	Derivation of Amount	Source of Payment
(i)	\$1,004,855.66	From a Bond Fund Contribution to the 1990/1994 Bonds (defined below) totaling \$2 million, allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding plus prepetition accrued and unpaid interest.	The 2002/5 Bond Fund or 2002/5 Lease Payments Fund.
(ii)	\$4,019,422.65	From a payment totaling \$8 million, allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding plus prepetition accrued and unpaid interest.	Moneys paid or to be paid by American to the 2002/5 Bond Trustee as rental payments under the 2002/5 IDA Sublease in respect of regularly scheduled interest payments on the 2002B Bonds. <sup>5</sup>
(iii)	\$221,414.59	From a payment totaling \$440,600 (intended to be used for payment of a portion of the fees and expenses of the 1990 Bond Trustee and 1994 Bond Trustee), allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding.	Same as in row (ii) above.

(The payment described in row (i) of the foregoing table is herein referred to as the “**Bond Fund Contribution to the 1990 Bonds**,” and together with the payment described in row (i) of the table in Paragraph 34 below, as the “**Bond Fund Contribution to the 1990/1994 Bonds**”; The payment described in row (ii) of the foregoing table is herein referred to as the “**2002B Bondholder Contribution to the 1990 Bonds**,” and together with the payment described in row (ii) of the table in Paragraph 34 below, as the “**2002B Bondholder Contribution to the 1990/1994 Bonds**.” The payment described in row (iii) of the foregoing table is herein referred to as the “**2002B Bondholder Contribution to the 1990 Fees**,” and together with the payment described in row (iii) of the table in Paragraph 34 below, as the “**2002B Bondholder Contribution to the 1990/1994 Fees**”; with the 2002B Bondholder Contribution to the 1990/1994 Bonds together with the 2002B Bondholder Contribution to the 1990/1994 Fees and the 2002B Bondholder Contribution to the 2002/5 Fees being collectively referred to as the “**2002B Bondholder Contribution**.”). The Bond Fund Contribution to the 1990 Bonds shall be transferred to the 1990 Bond Trustee as provided herein as partial consideration for the

<sup>5</sup> For the avoidance of doubt, it is understood by the Parties that nothing in row (ii) of this table shall require the Debtors to remit any moneys not previously contemplated to be paid under the 2002/5 IDA Sublease.



settlement of any and all claims or rights, if any, which the 1990 Bond Trustee or 1990 Bondholders may have in connection with the 1990 Premises. An aggregate amount of \$2 million (which is calculated to be equal to the Bond Fund Contribution to the 1990/1994 Bonds) shall be transferred to the 2002/5 Lease Payments Fund or 2002/5 Bond Fund from the DSR Fund (\$635,843.18 from the 2002B DSR Account and \$1,364,156.82 from the 2005 DSR Account, a pro rata allocation based on their respective DSR Account balances) (the “**DSR Contribution to the 2002/5 Bond Fund**”, together with the DSR Fee Contribution the “**DSR Contribution**”). The funds transferred from the 2002B DSR Account to the 2002/5 Bond Fund or 2002/5 Lease Payments Fund shall be used for debt service payments in respect of the 2002B Bonds provided for in Paragraph 38 of this Stipulation and the funds transferred from the 2005 DSR Account to the 2002/5 Bond Fund or 2002/5 Lease Payments Fund shall be used for debt service payments in respect of the 2005 Bonds provided for in Paragraph 38 of this Stipulation.

31. The 2002B Bondholder Contribution shall be deemed to have been paid to the 2002B Bondholders as payment of interest on the 2002B Bonds, and (i) in the case of the 2002B Bondholder Contribution to the 1990 Bonds and the 2002B Bondholder Contribution the 1990 Fees, transferred by the 2002B Bondholders to the 1990 Bond Trustee as provided herein as partial consideration for the settlement of any and all claims or rights, if any, which the 1990 Bond Trustee or 1990 Bondholders may have in connection with the 1990 Premises, (ii) in the case of the 2002B Bondholder Contribution to the 2002/5 Fees, transferred by the 2002B Bondholders to the 2002/5 Bond Trustee and used for payment of the fees and expense of the 2002/5 Bond Trustee as provided herein.

32. The Bond Fund Contribution to the 1990 Bonds, the 2002B Bondholder Contribution to the 1990 Bonds, and the amounts retained by the 1990 Bond Trustee pursuant to Paragraph 29 of this Stipulation, shall be applied—

- (i) first, to the satisfaction of the accrued but unpaid fees and expenses of the 1990 Bond Trustee (to the extent not satisfied by the 2002B Bondholder Contribution to the 1990 Fees or the 1990 Fee Payment), unless the 1990 Bond Trustee determines in its sole discretion to delay payment of certain fees until receipt of additional recoveries; and
- (ii) second, as a payment to the 1990 Bondholders, pro rata, based on the aggregate principal amount of the 1990 Bonds held by each 1990 Bondholder, within thirty (30) days after the receipt by the 1990 Bond Trustee of all such amounts or as promptly as practicable thereafter.

33. The 1990 Bond Trustee shall be entitled in its sole discretion, and in accordance with its obligation under Section 9.01 of the 1990 Indenture, to establish one or more record dates for the 1990 Bondholders, for the purpose of the payments provided for in this Stipulation.

*In respect of the 1994 Bonds.*

34. The following cash amounts shall be transferred to the 1994 Bond Trustee by the 2002/5 Bond Trustee or the paying agent under the 2002/5 Bonds, within thirty (30) days after receipt by the 2002/5 Bond Trustee of the 2002/5 Cure Payments or as soon thereafter as practicable—

	Amount	Derivation of Amount	Source of Payment
(i)	\$995,144.34	From a Bond Fund Contribution to the 1990/1994 Bonds totaling \$2 million, allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding plus prepetition accrued and unpaid interest.	The 2002/5 Bond Fund or 2002/5 Lease Payments Fund
(ii)	\$3,980,577.35	From a payment totaling \$8 million, allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding plus prepetition accrued and unpaid interest.	Moneys paid or to be paid by American to the 2002/5 Bond Trustee as rental payments under the 2002/5 IDA Sublease in respect of regularly scheduled interest payments on the 2002B Bonds. <sup>6</sup>
(iii)	\$219,185.41	From a payment totaling \$440,600 (intended to be used for payment of a portion of the fees and expenses of the 1990 Bond Trustee and 1994 Bond Trustee), allocated pro rata between the 1990 Bonds and 1994 Bonds based on their respective principal amounts outstanding.	Same as in row (ii) above.

(The payment described in row (i) of the foregoing table is herein referred to as the “**Bond Fund Contribution to the 1994 Bonds.**” The payment described in row (ii) of the foregoing table is herein referred to as the “**2002B Bondholder Contribution to the 1994 Bonds.**” The payment described in row (iii) of the foregoing table is herein referred to as the “**2002B Bondholder Contribution to the 1994 Fees.**”) The Bond Fund Contribution to the 1994 Bonds shall be transferred to the 1994 Bond Trustee as provided herein as partial consideration for the settlement of any and all claims or rights, if any, which the 1994 Bond Trustee or 1994 Bondholders may have in connection with the 1994 Premises.

35. The 2002B Bondholder Contribution to the 1994 Bonds and the 2002B Bondholder Contribution the 1994 Fees shall be deemed to have been paid to the 2002B Bondholders as payment of interest on 2002B Bonds, and transferred by the 2002B Bondholders to 1994 Bond Trustee as provided herein as partial consideration for the settlement of any and all

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<sup>6</sup> For the avoidance of doubt, it is understood by the Parties that nothing in row (ii) of this table shall require the Debtors to remit any moneys not previously contemplated to be paid under the 2002/5 IDA Sublease.

claims or rights, if any, which the 1994 Bond Trustee or the 1994 Bondholders may have in connection with the 1994 Premises.

36. The Bond Fund Contribution to the 1994 Bonds and the 2002B Bondholder Contribution to the 1994 Bonds, shall be applied—

(i) first, to the satisfaction of the accrued but unpaid fees and expenses of the 1994 Bond Trustee (to the extent not satisfied from the 2002B Bondholder Contribution to the 1994 Fees or from the 1994 Fee Payment), unless the 1994 Bond Trustee determines in its sole discretion to delay payment of certain fees until receipt of additional recoveries; and

(ii) second, as a payment to the 1994 Bondholders, pro rata, based on the aggregate principal amount of the 1994 Bonds held by each 1994 Bondholder, within thirty (30) days of receipt thereof by the 1994 Bond Trustee, or as promptly thereafter as practicable.

37. The 1994 Bond Trustee shall be entitled in its sole discretion, and in accordance with its obligation under Section 9.01 of the 1994 Indenture, to establish one or more record dates for the 1994 Bondholders, for the purpose of the payments provided for in this Stipulation.

***Payments in Respect of the 2002/5 Bonds.***

38. Within sixty (60) days of the Effective Date, or as promptly as practicable thereafter, the 2002/5 Bond Trustee shall, (subject, if the 2002/5 Cure Payments have not been received, to any amounts withheld on account thereof):

(i) distribute to the 2002A Bondholders from the funds and accounts established under the 2002/5 Indenture, \$120 million, being the amount of principal of

the 2002A Bonds which became due on August 1, 2012 under the terms of the 2002/5 Indenture;

(ii) distribute to the 2002/5 Bondholders, an amount equal to the sum of all accrued but unpaid interest under the terms of the 2002/5 Indenture due and payable on regularly scheduled interest payment dates occurring on or after December 1, 2011 and prior to the date of the distribution provided for in this Paragraph 38 (without any interest on overdue interest and without giving effect to any alleged defaults resulting from the Chapter 11 Filing), less, in the case of the distribution to the 2002B Bondholders, the amount of the 2002B Bondholder Contribution;

and no 2002/5 Bondholder shall be entitled to any interest on overdue interest or principal or any acceleration of payment of principal of the 2002/5 Bonds in connection with, or as a result of, the foregoing.

39. Immediately following the distributions to the 2002A Bondholders provided for in Paragraph 38 of this Stipulation, the 2002A Bonds shall be deemed paid in full and no longer outstanding, and there shall be no further obligations by the Debtors, the IDA or the 2002/5 Bond Trustee in respect of the 2002A Bonds, whether for interest on overdue payments that may have been deemed to accrue since November 29, 2011, or for any rent payable by American under the 2002/5 IDA Sublease calculated based upon the debt service requirements of such 2002A Bonds.

40. For the avoidance of doubt, neither the 2002/5 Bond Trustee nor the 2002/5 Bondholders shall assert a claim against the Debtors for reimbursement on account of the 2002B Bondholder Contribution.

***Other Provisions in Respect of the Bonds and Transaction Documents***

41. The Debtors shall not be responsible for the internal allocation of fees and expenses by the 1990 Bond Trustee, 1994 Bond Trustee or 2002/5 Bond Trustee of moneys received by the 1990 Bond Trustee, 1994 Bond Trustee or 2002/5 Bond Trustee pursuant to this Stipulation.

42. Upon the Effective Date, the Transaction Documents shall be deemed amended or modified, solely to the extent necessary to effectuate the terms and conditions of this Stipulation.

***1990 Bonds and 1994 Bonds***

43. All present and future 1990 Bondholders, the 1990 Bond Trustee, all present and future 1994 Bondholders and the 1994 Bond Trustee, and each of their respective successors and assigns, are enjoined and forever barred from—

(i) asserting a security interest in any of the Debtors' assets in respect of the 1990 Bonds or 1994 Bonds, including, without limitation, any leasehold interests of the Debtors and any of the assets securing the 2002/5 Bonds,

(ii) disputing the characterization as unsecured financings of transactions entered into in connection with the 1990 Bonds or the 1994 Bonds, as the case may be (including, without limitation, the 1990 Company Sublease, the 1990 IDA Sublease, the 1994 Company Sublease or the 1994 IDA Sublease),

(iii) asserting any claims or causes of action (other than for claims alleging breach in the performance of the terms of this Stipulation) against the Debtors, the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee, the IDA, the Directing Bondholders or any other holders of Bonds, in connection with, or arising out of the transactions related to or underlying, the 1990 Bonds, 1990 Transaction Documents, the

1994 Bonds, the 1994 Transaction Documents, the 2002/5 Bonds or the 2002/5

Transaction Documents;

*provided, however*, that nothing herein shall impair the rights of the 1990 Bond Trustee as against the 1990 Bondholders or the 1994 Bond Trustee as against the 1994 Bondholders, under the Transaction Documents or otherwise.

*2002/5 Bonds*

44. The 2002/5 Bonds shall be reinstated such that the 2002/5 Transaction Documents shall pass through the Debtors' bankruptcies unaltered, subject only to (i) amendments necessary to effectuate this Stipulation, including, without limitation, the DSR Reduction (defined below), the No Call Extension (defined below) and any other amendments necessary to clarify that that the Debtors shall not be required to replenish the Debt Service Reserve Fund as a result of transfer of moneys from the Debt Service Reserve Fund pursuant to the DSR Contribution, and (ii) such amendments as shall be necessary to effectuate the reinstatement as provided in this Stipulation.

45. Effective upon the Effective Date, Section 2.06(a)(iii)(a) of the 2002/5 Second Supplemental Indenture (and the corresponding portion of the form of Series 2002B Bond) shall be deemed amended and restated in accordance with Annex I hereto (such amendment, the "**No Call Extension**") such that (i) the date prior to which the 2002B Bonds are not subject to optional redemption shall be changed from August 1, 2012 to August 1, 2015, and (ii) the 2002B Bonds shall be redeemable from August 1, 2015 through July 31, 2016 at a redemption price equal to 100.5% of the principal amount thereof plus accrued and unpaid interest to the date of redemption, and from and after August 1, 2016 at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest to the date of redemption.

46. Effective upon the transfer of moneys pursuant to the DSR Contribution, Appendix A to the 2002/5 Second Supplemental Indenture shall be deemed amended in accordance with Annex II hereto (such amendment, “**2002B DSR Reduction**”) in order to clarify that the Debtors shall not be required to replenish the 2002B DSR Account as a result of the transfer of moneys from the 2002B DSR Account pursuant to the DSR Contribution.

47. Effective upon the transfer of moneys pursuant to the DSR Contribution, Appendix A to the 2002/5 Third Supplemental Indenture shall be amended in accordance with Annex III hereto (such amendment, the “**2005 DSR Reduction**” and together with the 2002B DSR Reduction, the “**DSR Reduction**”) in order to clarify that the Debtors will not need to replenish the 2005 DSR Account as a result of the transfer of moneys from the 2005 DSR Account pursuant to the DSR Contribution.

***Approval Motion and Settlement Order***

48. On or prior to March 13, 2013, or such other later date as the Debtors, the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee and the IDA may agree, the Debtors shall file a motion with the Bankruptcy Court, in form and substance acceptable to the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee and the IDA, seeking approval of this Stipulation pursuant to Bankruptcy Rule 9019 (the “**Approval Motion**”).

49. The Approval Motion shall propose a Settlement Order that is binding upon the Parties and upon the 1990 Bondholders, the 1994 Bondholders, and the 2002/5 Bondholders, that recites the finding of the Bankruptcy Court to the effect that the terms and conditions of the Stipulation are fair and reasonable and in the interests of all 1990 Bondholders, 1994 Bondholders and 2002/5 Bondholders, that provides for the assumption of the 2002/5 Company Sublease and 2002/5 IDA Sublease and that includes language substantially to the



following effect, unless otherwise agreed to by the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee and the IDA:

ORDERED that, effective on the Effective Date, each of the terms and conditions of the Stipulation are hereby approved, and the Stipulation shall be binding on the Parties and all 1990 Bondholders, 1994 Bondholders and 2002/5 Bondholders; and it is further

ORDERED that, effective on the Effective Date, the Transaction Documents shall be deemed amended or modified, and compliance with the provisions thereof shall be deemed waived, to the extent necessary to effectuate the terms and conditions of the Stipulation; and it is further

ORDERED that, effective on the Effective Date, all 1990 Bondholders, 1994 Bondholders and 2002/5 Bondholders are deemed to have irrevocably consented to each of the terms and conditions of the Stipulation, including, without limitation, any deemed amendments and modifications of the Transaction Documents, or deemed waiver of compliance with the provisions of the Transaction Documents, in each case as applicable and to the extent necessary to effectuate the terms and conditions of the Stipulation; and it is further

ORDERED that, effective on the Effective Date, the Bankruptcy Court having found that the Debtors, the IDA, the 1990 Bond Trustee, the 1994 Bond Trustee and the 2002/5 Bond Trustee, the Directing Bondholders, and their respective legal counsel and/or other advisors, have used the same degree of care and skill in the exercise of their respective rights and powers a prudent person would exercise and use under the circumstances, there is no bona fide basis for any claims or actions against the Debtors, the IDA, the 1990 Bond Trustee, the 1994 Bond Trustee or the 2002/5 Bond Trustee (each as indenture trustee or in any other fiduciary capacity with respect to the respective Bonds or in its individual capacity), any Directing Bondholder, or any of their respective legal counsel and/or other advisors, in any way related to the matters that are the subject of the Approval Motion, the Stipulation or this Settlement Order; *provided, however*, that, other than to the extent the respective obligations of the IDA, the 1990 Bond Trustee, the 1994 Bond Trustee and/or the 2002/5 Bond Trustee have been altered by the Stipulation and this Settlement Order, (i) nothing in this Settlement Order shall relieve the IDA or the Debtors from each of their obligations to perform under the 2002/5 Transaction Documents (each as amended or modified to the extent necessary to effectuate the Stipulation and this Settlement Order), if any, or restrict the ability of the 2002/5 Bondholders, or the 2002/5 Bond Trustee to enforce such obligations against the IDA or the Debtors; and (ii) nothing in this Settlement Order shall relieve the 1990 Bond Trustee,

1994 Bond Trustee or 2002/5 Bond Trustee from their respective obligations to perform under the 1990 Indenture, 1994 Indenture or 2002/5 Transaction Documents, as applicable, (each as amended or modified to the extent necessary to effectuate the Stipulation and this Settlement Order) or restrict the ability of the 1990 Bondholders, 1994 Bondholders or 2002/5 Bondholders to enforce such obligations against the 1990 Bond Trustee, 1994 Bond Trustee or 2002/5 Bond Trustee, as applicable; *provided further*, that nothing herein shall impair the rights of the 1990 Bond Trustee as against the 1990 Bondholders, the 1994 Bond Trustee as against the 1994 Bondholders or the 2002/5 Bond Trustee as against the 2002/5 Bondholders, under the Transaction Documents or otherwise; and it is further

ORDERED that, effective on the Effective Date, the Debtors, the IDA and each Directing Bondholder, and the 1990 Bond Trustee, the 1994 Bond Trustee and the 2002/5 Bond Trustee (each as indenture trustee or in any other fiduciary capacity with respect to the respective Bonds or in its individual capacity), and each of their respective legal counsel and/or other advisors, shall have no liability for any claims, demands, suits, actions or causes of action in any way related to the matters that are the subject of the Approval Motion, the Stipulation and this Settlement Order; *provided, however*, that nothing in this Settlement Order shall relieve any party from its respective obligations, or deprive any party of its rights, under the Stipulation; *provided further*, that nothing herein shall impair the rights of the 1990 Bond Trustee as against the 1990 Bondholders, the 1994 Bond Trustee as against the 1994 Bondholders or the 2002/5 Bond Trustee as against the 2002/5 Bondholders, under the Transaction Documents or otherwise; and it is further

ORDERED that, effective on the Effective Date, any present or future 1990 Bondholder, the 1990 Bond Trustee, any present or future 1994 Bondholder, the 1994 Bond Trustee, and each of their respective successors and assigns, shall be forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing any claims against the Debtors, the 1990 Bond Trustee, the 1994 Bond Trustee, the 2002/5 Bond Trustee, the IDA, the Directing Bondholders or any other holders of Bonds, in connection with or arising out of or in any way related to the transactions related to or underlying the 1990 Bonds, the 1990 Transactions Documents, the 1994 Bonds, the 1994 Transaction Documents, the 2002/5 Bonds or the 2002/5 Transaction Documents; *provided, however*, that nothing herein shall impair the rights of the 1990 Bond Trustee as against the 1990 Bondholders or the 1994 Bond Trustee as against the 1994 Bondholders, under the Transaction Documents or otherwise; *provided, further*, that nothing in this Settlement Order shall relieve any party from its respective obligations, or deprive any party of its rights, under the Stipulation; and it is further

ORDERED that, effective on the Effective Date, each present or future 1990 Bondholder, 1994 Bondholder or 2002/5 Bondholder shall be forever barred, estopped and permanently enjoined from asserting, prosecuting or otherwise pursuing any claims against the Debtors, the IDA, the 1990 Bond Trustee, the 1994 Bond Trustee or the 2002/5 Bond Trustee (each as indenture trustee or in any other fiduciary capacity with respect to the respective Bonds or in its individual capacity), or any Directing Bondholder, that are in any way related to the matters that are the subject of the Motion, the Stipulation or this Settlement Order; *provided, however*, that nothing in this Settlement Order shall relieve any party from its respective obligations, or deprive any party of its rights, under the Stipulation.

*General*

50. Each of the Parties covenants that it will faithfully cooperate and perform at all times all of its covenants, undertakings, stipulations and provisions contained in this Stipulation.

51. Each of the Parties agrees to make any amendments or modifications to the Transaction Documents, to enter into any other documents or take any other actions that may be necessary or reasonably desirable to implement the terms and provisions or purposes of this Stipulation. Without limiting the foregoing, each of the Parties agrees to cooperate in the preparation and execution of a supplemental indenture documenting the DSR Reduction and No Call Extension.

52. The Debtors hereby commit to pursue confirmation of a chapter 11 plan consistent with the terms and conditions of this Stipulation and the Settlement Order, provided, however, from and after the Effective Date, this Stipulation and the Settlement Order shall be enforceable, binding and effective regardless of whether a chapter 11 plan is subsequently submitted or confirmed. Each of the Parties hereto shall, upon the Effective Date, be authorized to take such actions as may be necessary and appropriate to implement the Stipulation, and no

Party hereto shall incur any liability for having proceeded to act in accordance with the Stipulation and Settlement Order in advance of confirmation of a chapter 11 plan and regardless of whether a chapter 11 plan is subsequently confirmed.

53. Following the execution of this Stipulation by each of the Parties and the entry of a final and non-appealable order approving this Stipulation pursuant to Bankruptcy Rule 9019, this Stipulation shall be binding upon the Parties and upon the 1990 Bondholders, 1994 Bondholders and 2002/5 Bondholders and all necessary approvals for entry into this Stipulation shall be deemed satisfied.

54. In the event that the Settlement Order is not entered by the Bankruptcy Court as a final non-appealable order within sixty (60) days after the date of this Stipulation, this Stipulation, shall be terminated and shall become null and void and of no force and effect, unless otherwise agreed to in writing by the Parties.

55. In the event that, notwithstanding this Stipulation, the Debtors are entitled to, and do, reject the 2002/5 Company Sublease and/or the 2002/5 IDA Sublease, following the Effective Date, the IDA, the 2002/5 Bond Trustee (as well as each of the 2002/5 Bondholders) shall each retain the right to assert all claims against the Debtors which such persons or entities would have been entitled to assert had the Parties not entered into this Stipulation, and the Debtors shall retain any defenses thereto.

56. It is expressly understood and agreed that neither this Stipulation (including the terms thereof) nor any act or omission in connection herewith is intended or shall be deemed or argued to be evidence or to constitute an admission by any Party as to the validity or invalidity of any claim, defense or other issue raised or that might be raised by any party in connection with the 1990 Bonds, the 1994 Bonds, the 2002/5 Bonds or the Chapter 11 Filing.

57. For the avoidance of doubt, this Stipulation shall be binding on any purchaser(s) of the Debtors, or any of their assets relating to the Premises, and on any assignees of the 1990 Company Sublease, the 1990 IDA Sublease, the 1994 Company Sublease, the 1994 IDA Sublease, the 2002/5 Company Sublease or the 2002/5 IDA Sublease.

58. For the avoidance of doubt, (i) any consent, waiver or release and or deemed consent, waiver or release provided for in this Stipulation by the 1990 Bond Trustee, the 1994 Bond Trustee or the 2002/5 Bond Trustee shall be understood to be on behalf of and to bind the applicable Bondholders, (ii) any consent, waiver or release or deemed consent, waiver or release by Bondholders provided for in this Stipulation shall be deemed to have been given by and to bind all present and future Bondholders and (iii) any consent waiver or release or deemed consent waiver or release by the Debtors provided for in this Stipulation shall be deemed to have been given on behalf of and to bind the Debtors' estates.

59. Each person who executes this Stipulation by or on behalf of a Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

60. This Stipulation may only be amended or otherwise modified by a signed writing executed by the Parties.

61. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, electronic copies, or facsimiles signed by the Parties.

62. This Stipulation shall be governed by, construed, and enforced in accordance with the laws of the State of New York without giving effect to the provisions, policies, or principles thereof relating to choice of law or conflict of laws.

63. Any disputes or controversies arising from this Stipulation shall be within the exclusive jurisdiction of the Bankruptcy Court.

[Signature page follows]

Dated: March 13, 2013  
New York, New York

/s/ Amy Caton

Amy Caton  
Steven Segal

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**Annex I**

**No Call Extension**

Effective upon the Effective Date, Section 2.06(a)(iii)(a) of the 2002/5 Second Supplemental Indenture (and the corresponding portion of the form of Series 2002B Bond found on pages 9-10 of the 2002/5 Second Supplemental Indenture under the heading “Optional Redemption During Initial Long-Term Interest Rate Period”) shall, in accordance with Paragraph 45 of the Stipulation, be deemed amended and restated substantially to the following effect:

The Series 2002B Bonds shall be subject to redemption in whole or in part on any date prior to maturity on or after August 1, 2015 at the option of the Agency, at the direction of the Lessee (which shall be delivered to the Trustee in writing or by facsimile confirmed in writing by notice delivered by first class mail and, if in part, the maturities to be redeemed to be selected by the Lessee or, if no such selection is made, in inverse order of maturities), from advance rental payments, upon payment in each case of the applicable redemption price (expressed as a percentage of principal amount of such Series 2002B Bonds to be redeemed), as set forth in the schedule below, together with accrued interest, if any, to the date of redemption, in the manner and subject to the provisions of the Indenture:

<u>Redemption Period</u>	<u>Redemption Prices</u>
August 1, 2015 through July 31, 2016	100.5%
August 1, 2016 and thereafter	100.0%



**Annex II**

**2002B DSR Reduction**

Effective upon the transfer of moneys pursuant to the DSR Contribution, Appendix A to the 2002/5 Second Supplemental Indenture shall, in accordance with Paragraph 46 of the Stipulation, be deemed amended substantially to the following effect:

(i) There shall be added a new defined term “Original Series 2002B Debt Service Reserve Account Requirement” which shall have a definition that is identical to the definition of “Series 2002B Debt Service Reserve Account Requirement” as in effect prior to the effectiveness of the amendments contemplated hereby.

(ii) The definition of “Series 2002B Debt Service Reserve Account Requirement” shall be amended and restated as follows: “Series 2002B Debt Service Reserve Account Requirement shall mean the greater of (x) \$0 and (y) the Original Series 2002B Debt Service Reserve Account Requirement minus \$1,112,725.56.”

**Annex III**

**2005 DSR Reduction**

Effective upon the transfer of moneys pursuant to the DSR Contribution, Appendix A to the 2002/5 Third Supplemental Indenture shall, in accordance with Paragraph 47 of the Stipulation, be deemed amended substantially to the following effect:

(i) There shall be added a new defined term “Original Series 2005 Debt Service Reserve Account Requirement” which shall have a definition that is identical to the definition of “Series 2005 Debt Service Reserve Account Requirement” as in effect prior to the effectiveness of the amendments contemplated hereby.

(ii) The definition of “Series 2005 Debt Service Reserve Account Requirement” shall be amended and restated as follows: “Series 2005 Debt Service Reserve Account Requirement shall mean the greater of (x) \$0 and (y) the amount of the Original Series 2005 Debt Service Reserve Account Requirement minus \$2,387,274.44.”